



6061 IH-10 West
P. O. Box 1356
San Antonio, Texas 78295-1356
210.258.1414 1.800.234.SACU
sacu.com

December 22, 2010

Chairman Ben Bernanke
Board of Governors of the Federal Reserve
20th Street and Constitution Avenue
Washington, DC 20551

Re: Docket No. R-1390
Federal Reserve Board's Proposed changes to Credit Insurance Disclosures
Under Regulation Z and the Truth-in-Lending Act

Dear Chairman Bernanke:

The purpose of my letter is to express my concern with the proposed changes regarding this amendment.

I am the Senior Vice President and Director of Lending at San Antonio Federal Credit Union. We are a \$3 Billion member owned financial cooperative with branch location in San Antonio and Houston Texas.

In reviewing the proposed disclosures, it strikes me that they are very biased and encourage the member not to purchase protection for their loan. As a lending professional for the past 25 years, I have seen many instances when credit life insurance paid a debt that would not have been affordable after the death of a spouse. The relief to the surviving spouse knowing they can keep their auto and the entire balance on the credit card has also been paid is truly priceless during such a terrible time.

It is my fear that with the current language in the proposed disclosures, many families will be discouraged from purchasing this valuable, low cost insurance. This is another example of federal regulation over-reach that is currently a state regulatory function. The State of Texas regulates the rates that are set on the credit insurance products and already has disclosure requirements that we share with our members.

I am fully supportive of clear, accurate and fair disclosures, but I feel the proposed disclosures do not satisfy any of these tenets. I encourage you to send the proposed disclosures back to staff for modification with these in mind.

Sincerely,

Charles A. Smith
Senior Vice President